

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

FINANCE MINISTER HOPES AN UPWARD REVISION IN THE GDP GROWTH WHEN FULL DATA FOR THE YEAR 2011-12 BECOMES AVAILABLE; GIVES SLOWDOWN IN INDUSTRIAL GROWTH, IN PARTICULAR IN INVESTMENT GROWTH AS THE MAIN REASON FOR DECLINE IN THE GDP GROWTH NUMBERS AS RELEASED TODAY BY CSO

New Delhi: Magha 18, 1933
February 07, 2012

The Union Finance Minister Shri Pranab Mukherjee said that the main reason for decline in the GDP growth is slowdown in industrial growth, in particular in investment growth. The Finance Minister said that the negative growth in mining sector along with slowdown in construction sector has also contributed to the decline in GDP growth. The Finance Minister Shri Mukherjee was reacting to the figures of advance estimates of GDP for the year 2011-12 which were released here today, by the Central Statistical Organisation (CSO). The Union Finance Minister Shri Pranab Mukherjee said though figures of advance estimates for GDP for the current fiscal somewhat look disappointing by our recent growth experience, yet considering the current global context and the slowdown in the domestic industrial sector in particular, the growth performance is not all that surprising.

The Union Finance Minister Shri Pranab Mukherjee further said that there have been some encouraging signs in the recent weeks on business sentiments, Rupee exchange rate, moderation in headline inflation, possibility of a bumper Rabi crop, and continued strong performance of the service sector which should help in recovering the growth momentum. The Finance Minister said that he anticipates an upward revision in the GDP growth numbers when the full data for year 2011-12 becomes available.

Earlier, the Central Statistical Organisation (CSO) has released the Advance estimates of the Gross Domestic Product (GDP) and related aggregates. The growth in GDP at factor cost during 2011-12, at 2004-05 prices, is estimated at 6.9 per cent as compared to the growth rate of 8.4 per cent in 2010-11. At constant prices GDP is estimated at Rs. 5,222,027 crore and in nominal terms at Rs 8,279,976 crore. In terms of sectoral break-up, the GDP growth is estimated at 2.5 per cent in agriculture, forestry and fishing sector, 3.9 percent in manufacturing and 9.4 per cent in services sector.

DSM/SS/GN